



UNIVERSITI TEKNOLOGI MARA

ADS653: PRINCIPLES OF PUBLIC FINANCE

Course Name (English)	PRINCIPLES OF PUBLIC FINANCE APPROVED
Course Code	ADS653
MQF Credit	3
Course Description	This course gives an in-depth understanding of the components of public finance. The various government financial activities pertaining to revenue collections and expenditure in general which include taxes administration, public debt, procurement, accounting and auditing and their effects on the economy will be examined. The course will also emphasis on the issues of control of funds, accountability, transparency and integrity in public financial administration.
Transferable Skills	1) Demonstrate ability to analyse issues/problems from multiple angles and make suggestions. 2) Demonstrate ability to work professionally and contribute positively in a team 3) Demonstrate ability to apply creative, imaginative and innovative thinking and ideas to problem solving.
Teaching Methodologies	Lectures, Blended Learning, Case Study, Tutorial, Presentation, Project-based Learning
CLO	CLO1 Analyse issues related to public finance activities based on public accountability and Malaysian legal framework CLO2 Demonstrate professional values in explaining the effectiveness and efficiency of public finance activities in Malaysia. CLO3 Prepare a written document in managing the process flow of public finance activities in Malaysia
Pre-Requisite Courses	No course recommendations
Topics	
1. • Introduction to Public Finance 1.1) o Definition of Public Finance 1.2) o The components of Public Finance 1.3) o The scope and nature of Public Finance 1.4) o The role of Public Finance in social and economic development	
2. • Economic basis of government activity 2.1) o Defining the proper scope of government activity 2.2) o The concept of mixed economy 2.3) o The roles of government 2.4) o Public spending vs Private Spending 2.5) o Public goods	
3. • Efficiency in Government Expenditure 3.1) o The authority and control of expenditure 3.2) o The growth of public expenditure 3.3) o The classification of public expenditure 3.4) o The canon or principles of public expenditure	

<p>4. • Inter- governmental fiscal relations</p> <p>4.1) o The Malaysian Federalism Fiscal system</p> <p>4.2) o Sources of revenues from four government level at:</p> <p>4.3) ? Federal government</p> <p>4.4) ? Federal Territories</p> <p>4.5) ? State level</p> <p>4.6) ? Local government</p>
<p>5. • Government Budget</p> <p>5.1) o Definition and the components of Budget</p> <p>5.2)</p> <p>5.3) o Various Budgetary Models</p> <p>5.4) ? Line-Item Budgeting System (LIBS)</p> <p>5.5) ? Performance-Based Budgeting System (PPBS)</p> <p>5.6) ? Modified Budgeting System (MBS)</p> <p>5.7) ? Outcome Based Budgeting System</p> <p>5.8)</p> <p>5.9) o Cost-Benefit-Analysis (CBA) with regard to Budgetary Decisions</p> <p>5.10) o Pricing of Public Services - Challenges</p> <p>5.11) o Politicization of the Budget</p>
<p>6. • Taxation Principles and Issues</p> <p>6.1) o Tax bases and tax rates</p> <p>6.2) o Practical Criteria for tax systems</p> <p>6.3) o Types of taxation (Direct and Indirect Taxes)</p> <p>6.4) o Various issues in taxation</p> <p>6.5) o Alternatives to taxation</p>
<p>7. • Economics of Public Debt</p> <p>7.1) o Growth of Debt</p> <p>7.2) o Financing of Debt</p> <p>7.3) o Burden of Debt</p> <p>7.4) o Internal vs. External Debt</p> <p>7.5) o Effects of Debt on Economy</p>
<p>8. • Public Accounting systems</p> <p>8.1) o The major reforms in public accounting systems</p> <p>8.2) o Receipts, Payments and Custody of Public Money</p> <p>8.3) o Book of Accounts interalia Vote Book, General Ledger Stores, Inventory Records and Special Accounts.</p> <p>8.4) o Treasury Instructions relating to the maintenance and rendition of accounts.</p> <p>8.5) o The Role of Accountant General & Controlling Officer in Malaysia</p>
<p>9. • Public Procurement</p> <p>9.1) o Defining Public Purchase, Custody, Use and Disposal of Stores</p> <p>9.2) o Policies and procedures of public procurement</p> <p>9.3) o Procedures involved in Stores</p> <p>9.4) o Issues in Public Procurement</p> <p>9.5) o Issues and Use of Stores</p> <p>9.6) o Loss and write-off</p>
<p>10. • Management and Control of Public Funds</p> <p>10.1) o The Consolidated Funds</p> <p>10.2) o Trust Funds, Contingency Funds & State Reserve Funds</p> <p>10.3) o Public Auditing</p> <p>10.4) o The Role of Auditor General</p>
<p>11. • Issues of Accountability, Transparency and Integrity in Public Finance</p> <p>11.1) o Malaysia's Public Finance Legal Framework</p> <p>11.2) o Federal Constitution</p> <p>11.3) o Financial Procedure Act 1957</p> <p>11.4) o Audit Act 1987</p> <p>11.5) o Accounts Act</p> <p>11.6) o Supply Act</p> <p>11.7) o Accountability and Control of government agencies</p> <p>11.8) o Evaluation and performance of government agencies</p> <p>11.9) o Various issues of accountability, transparency,</p> <p>11.10) integrity and ethics in public finance activities</p>

Assessment Breakdown	%
Continuous Assessment	100.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Case Study	The students will be given a case related to public finance. A questions will be given for the student to come out with the answer	20%	CLO1
	Final Test	sets of essay questions will be given based on certain topics	30%	CLO1
	Group Project	students will be given a topics related to Public Finance and the students need to identify problem and issue related to the topics and to come up with suitable solutions.	25%	CLO3
	Presentation	The students need to present the answer of the tutorial question every week	25%	CLO2

Reading List	Recommended Text	<ul style="list-style-type: none"> • Hillman, A.L 2007, <i>Public Finance & Public Policy Responsibilities & Limitations of Government</i>, Cambridge University Press Cambridge UK • Rosen, H. S 2009, <i>Public Finance</i>, 9th Ed., McGraw-Hill Irwin New York • Ulbrich, H., 2011, <i>Public Finance: In Theory & Practice</i>, 2nd Ed., Thompson South-Western. • Xavier, J.A. 2002, <i>Understanding Modified Budgeting System</i>, INTAN Kuala Lumpur • 2003, <i>Pengurusan Kewangan Panduan Untuk Pengurus-pengurus Sektor Awam</i>, INTAN KUALA LUMPUR
	Reference Book Resources	<ul style="list-style-type: none"> • Hyman, D. 2015, <i>Public Finance: A Contemporary Application of Theory to Policy</i>, 11th Ed., Thompson South-Western. • Fatimah Abd Rauf et. al 2015, <i>Public Sector accounting: Malaysian Context</i>, 4th Ed., Prentice Hall Kuala Lumpur

Article/Paper List	This Course does not have any article/paper resources
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Other References	<ul style="list-style-type: none"> • n/a 2015 <i>Kecemerlangan Pengurusan Kewangan: Dari Perspektif Jabatan Audit Negara</i>, Jabatan Audit Negara • n/a 2014 <i>Federal Constitution</i> • n/a 2015 <i>Treasury Instruction</i>
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